Use of electronic mode for transfer of funds

4358. SHRIMATI S.G. INDIRA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Reserve Bank of India is considering to encourage customers to switch to electronic mode for transferring funds;

(b) if so, the details thereof;

(c) whether it is also a fact that the Reserve Bank of India had also asked the banks to change before issuing payments through cheques; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) With a view to spread the use of electronic modes of fund transfer and the advantages of early availability of funds to the beneficiaries, RBI is encouraging customers to switch to electronic mode of fund transfer. However, it is only encouragement and it is not mandatory on the part of the customers. The customers would always have choice to make use of traditional modes of payments like cheques, drafts, pay orders etc.

(c) and (d) The Study Group appointed by RBI had recommended that in order to encourage the use of electronic modes of fund transfer, RBI may consider advising banks to charge for the paper modes of funds transfer. However, RBI has not accepted this recommendation on charging for paper based payment transactions and has issued a press release in this regard on May 4, 2007.

World Investment Report, 2006

4359. SHRIMATI N.P. DURGA: Will the Minister of FINANCE be pleased to state:

(a) whether as per World Investment Report, 2006 India could garner only 0.72 per cent of total global FDI inflows which is not even 10 per cent China's FDI inflow (7.98 per cent);